

Decision on Approval of Transmission Elements less than \$50 Million

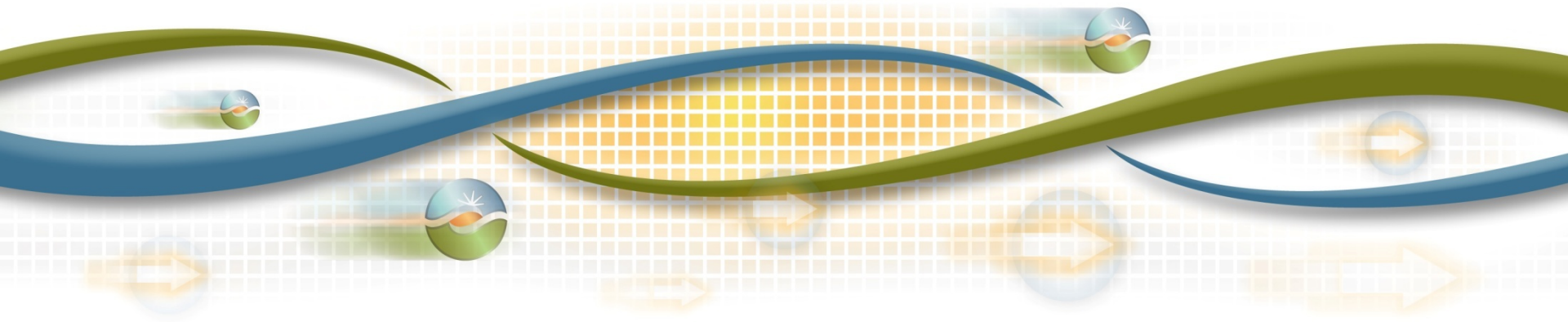
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Extending management approval to urgent policy-driven or economically-driven “elements”:

- ISO management currently approves reliability-driven transmission projects less than \$50 million.
- Seeking additional tariff authority to approve policy-driven or economic driven transmission elements that:
 - Cost less than \$50 million and
 - Urgently needed
- Additional flexibility will enable ISO to expeditiously approve smaller transmission elements that may be needed to support state policy or provide economic benefits.

Flexibility to advance a competitive solicitation process:

- Adds flexibility to conduct a limited competitive solicitation process outside the current prescribed annual event.
- Removes a potential impediment to advancing an urgent policy-driven or economic need.
- Removes a potential impediment to advancing an urgent reliability need that may be subject to a competitive solicitation process.

Stakeholders generally support the proposal and focused their comments on the following areas:

- Reasons behind change
- Links to FERC Order 1000
- Plans for stakeholder consultation for management-approved projects
- Assurances that alternatives will be adequately examined
- Assurances that independent developers will have adequate opportunity to participate
- Access to Board of Governors on a complaint basis

Management recommends the Board approve the proposal to:

- Enable management approval of transmission elements that are estimated to cost less than \$50 million.
- Enable a separate competitive solicitation process for eligible elements less than \$50 million to proceed ahead of the timelines set out in the tariff for the annual competitive solicitation process.